



Housing Action Plan – Potential Strategies

June 16, 2021

The Clark County Housing Options Study and Action Plan is to understand local housing challenges and identify opportunities to encourage creation of additional housing types that are affordable to a variety of households within the unincorporated Vancouver Urban Growth Area. This could be done through the removal of regulatory barriers and/or implementation of other strategies.

The Housing Options Study included stakeholder interviews and focus groups, a housing inventory and analysis, an audit of land use policies, zoning, and regulations, and a feasibility pro-forma analysis. Proposed Housing Action Plan (HAP) objectives were developed based on the Housing Options Study and feedback from the Project Advisory Group and the public.

The next step is to analyze and identify priority strategies for the Housing Action Plan. The project team started with a framework developed by the Washington County Department of Commerce, and refined it to meet the needs of Clark County. The list is comprised of categories that include:

- A. Expand Zoning Permissions for Housing Development
- B. Modify Existing Regulatory Tools
- C. Process Improvements
- D. Affordable Housing Incentives
- E. Funding Options
- F. Other Strategies
- G. Physical Displacement Strategies
- H. Economic Displacement Strategies
- I. Cultural Displacement Strategies

Each category includes several “strategy types” and then specific strategies developed by the project team. The purpose of this memo is to explore potential strategies within categories A and D. The memo includes a description of each strategy type and preliminary assessment of each strategy relative to the proposed HAP objectives, timeline, cost, and administrative effort. Potential effectiveness and impact will be informed by PAG discussions.

Timeline. Since the “intended outcome is a list of implementation-ready/actionable strategies and recommendations for public, Planning Commission and Council,” Short-term includes implementation-ready strategies that will be adopted through this process. Medium-term strategies are those that require more work or time to implement. Long-term strategies are those that the County does not control.

Cost. A relative comparison of costs for each strategy. For example, development code changes have no/low cost. Strategies with ongoing administrative needs are medium cost. Items that require the County to invest or forgo revenues are high cost.

Administrative Effort. Strategies that primarily involve policy setup or code changes are low effort. Strategies that will require more work following the completion of this project are medium effort. High-effort strategies require substantial staff time and program setup. This includes any new or ongoing programs that need dedicated time to administer.

Potential Impact. The magnitude of impact the strategy will have on achieving the project objectives. This will be assessed following the PAG’s initial discussions of potential strategies and presented at a future meeting.

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A. Expand Zoning Permissions for Housing Development

A-1. Reduce Minimum Lot Sizes

Reducing minimum lot sizes for a variety of residential uses is a key strategy to make efficient use of public infrastructure and increase affordability. It increases a community's capacity by allowing a greater number of dwelling units, particularly in areas close to transit and other amenities. It also provides ways to develop lots with smaller yards that do not require a lot of time or effort to maintain. Changing the minimum lot sizes for single-family detached and townhouses in particular can also increase opportunities for homeownership, by decreasing land costs associated with the dwelling and making it affordable to more households. Such changes also increase opportunities for homeownership.

- A-1.1. Reduce minimum lot sizes for single-family detached in low-density R1 districts. Consider one or more of the following:
- Reduce minimum lot sizes in all zones by 10-20% for all development.
 - Develop a small-lot subdivision track separate from the cottage housing option, potentially by expanding the density bonus available through the PUD process and/or modifying the density transfer provisions for low-density environmentally sensitive lands.
- A-1.2. Reduce minimum lot sizes for townhouses to 2,000 square feet or smaller throughout the medium-density zones, by aligning and revising minimum lot sizes and maximum densities. Minimum lot size should be reduced in R-12; minimum lot sizes in R-18 and R-22 are sufficient but they are constrained by maximum density.
- A-1.3. Reduce minimum lot sizes for duplexes to match those for single-family detached in low and medium density districts.
- A-1.4. Introduce minimum lot sizes for triplexes and quadplexes where proposed in low and/or medium-density zones that are less than current lot area per dwelling unit. E.g., R-12 zone would currently require 14,520-square-foot lot for a quadplex based upon maximum density, compared to a proposed 8,000-square foot minimum specific to quadplexes.
- A-1.5. Create a new R1-2.5 zone with a 2,500-square foot minimum lot size for single-family detached and similarly scaled minimum lot sizes for middle housing.

A-1	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-1.1	●		●	●		Short	\$	Low	
A-1.2	●		●	●		Short	\$	Low	
A-1.3	●		●	●		Short	\$	Low	
A-1.4	●		●	●		Short	\$	Low	
A-1.5	●		●	●		Short	\$	Low	

A-2. Require a Minimum Density

Washington's Growth Management Act (GMA) requires that communities within designated urban growth areas allow for urban densities to reduce the per-household cost of providing urban services. The purpose of establishing minimum densities in zoning is to ensure that a sufficient level of development occurs to support transit use, walkability, infrastructure investments, local retail or other goals.

Current residential density ranges in the project area are: 1.4 to 8.7 dwelling units per acre in the urban low-density zones (R1), 8 to 22 dwelling units per acre in the urban medium-density zones (R-12 to R-18), and 18 to 43 units per acre in the urban high-density zones (R-30 and R-43).

A-2.1. Increase minimum density in high-density zones from 47-60% to 60-80% of the maximum density, to support multifamily residential and smaller housing units.

A-2	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-2.1	●		●		●	Short	\$	Low	

A-3. Increase or Remove Density Limits

Regulating the maximum number of units per acre is one of the most commonly used tools to regulate the intensity of residential development in Washington jurisdictions. However, there are two notable drawbacks to the units/acre regulating approach beyond simply limiting density:

- They penalize smaller units by design, as each dwelling unit, whether it is 500 square feet or 5,000 square feet, counts as one dwelling unit. As such the standard can shift development towards larger, more expensive units.
- Most residents have a difficult time understanding what density looks like. When quizzed on the subject, community members often convey that the design of the streetscape, front yards and building frontages matter more to them.

Thus, removing or relaxing such density limits are obvious ways a local government can increase the supply, diversity and affordability of housing. Local governments need to be very strategic in such actions, however, as they can be extremely controversial and can backfire even with a well-crafted plan. Whether density limits are removed or adjusted, local governments will need to clearly communicate *why* they are removing or adjusting the density and illustrate what tools are proposed to mitigate possible impacts.

A-3.1. Revise maximum density standards to align with revisions to minimum lot sizes, including greater maximum densities for select middle housing types, or remove maximum density for those housing types in favor of allowing minimum lot sizes to control development intensity.

A-3	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-3.1	●		●	●	●	Short	\$	Low	

A-4. Upzone

Strategic rezones to a higher intensity zone are another straight-forward strategy to expand the capacity for residential development in urban areas. Such upzones can be undertaken for areas large and small by a local government, or they can be applied for by individuals or groups of property owners. Some may be accomplished within the framework of an existing comprehensive plan, though many will necessitate an update to the comprehensive plan. This strategy should be considered if there is a deficit of development capacity relative to ongoing population growth, minimal activity in areas desired for development or redevelopment, or a lack of residential development near public infrastructure.

A-4.1. Designate additional land for high-density residential to support multifamily development. Approaches for this could focus on land already within the project area and/or land that is brought into the urban growth area in the future.

A-4.2. Designate additional land for medium-density residential to support a range of more dense, more varied housing types relative to low-density areas. Approaches for this could focus on land already within the project area and/or land that is brought into the urban growth area in the future.

- A-4.3. Develop and apply an R1-2.5 zone for low-density residential that permits a range of middle housing development at higher average densities relative to existing low-density residential zones and development patterns.
- A-4.4. The county and cities will need to adopt housing affordability metrics as part of the next Comprehensive Plan update per state mandate. These metrics are to be reported on the Buildable Lands Report and jurisdictions will have to take reasonable measures to meet the housing affordability metrics, if they are not met. Discuss the Countywide Planning Policy regarding the 75/25 split between single-family detached housing and alternatives to single-family detached housing with all local jurisdictions during the Comprehensive Plan update process as part of the housing affordability discussion, to see if the ratio still makes sense or should be adjusted by all jurisdictions. If the ratio is adjusted, upzone land within jurisdictions as needed to meet the new ratio.

A-4	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-4.1	●		●	●		Short	\$	Low	
A-4.2	●		●	●		Short	\$	Low	
A-4.3	●		●	●		Short	\$	Low	
A-4.4	●		●			Medium	\$	Med	

A-5. Increase Allowed Housing Types in Existing and/or Proposed Zones (cottages; 2, 3, 4-plexes; townhouses; courtyard apartments, micro-housing)

In many communities, the only housing choices are single-family homes on large lots or medium to large multifamily buildings. Such limited options do not reflect the wide range of needs of differing family sizes, household incomes and cultural groups. One solution is encouraging a larger variety of housing types, such as duplexes, triplexes, 4-plexes, cottages, and townhomes, often referred to as the “missing middle” as they are middle-sized housing, aimed at people with middle incomes. They are also some of the most affordable forms of housing on a cost-per-square-foot basis. In general, these types are more affordable than detached single-family homes and offer a greater range of design and locational choices than apartment buildings can offer. They also offer more flexible ways for communities to add compatible density into established neighborhoods and provide more opportunities for residents to have stability and build wealth through homeownership.

- A-5.1. Permit duplexes throughout the R1 zones; duplexes currently limited to corner lots in the R1-6 and R1-5 zones. Allow outright through a building permit review without requiring separate land use review.
- A-5.2. Introduce triplex and quadplex uses in low and medium-density zones, and permit on minimum lot sizes/densities analogous to townhouses. Allow outright through a building permit review without requiring separate land use review. Consider allowing attached and detached configurations.
- A-5.3. Allow townhouses in low-density zones on lots 2,000 square feet or smaller.
- A-5.4. Introduce courtyard apartment use to allow small-scale apartment development of 5-12 units by permitting at higher densities in medium-density zones and developing alternative design standards.
- A-5.5. Allow and encourage internal conversion of existing homes into additional units as a “plex” or cottage cluster, including nonconforming development. Consider standards such as limitations on exterior alternations/expansions and/or how to meet parking needs in ways that incentivize retention of existing homes.
- A-5.6. Limit single-family detached uses in medium-density zones, either by prohibiting them or limiting them to a portion of a PUD development, in order to encourage variety of other housing types.

- A-5.7. Limit townhouse uses in high-density zones, either by prohibiting them or limiting them to a portion of a PUD development, in order to encourage variety of other housing types.
- A-5.8. As an alternative to permitting outright across low-density zones, develop a middle housing overlay for low-density residential areas that allows middle housing types on smaller lots/at greater densities. Could apply in areas with better access to transit or amenities like parks, commercial nodes. Consider how it could apply to existing neighborhoods to support infill and/or to vacant lands to support new development

A-5	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-5.1	●		●	●		Short	\$	Low	
A-5.2	●		●	●		Short	\$	Low	
A-5.3	●		●	●		Short	\$	Low	
A-5.4	●		●	●		Short	\$	Low	
A-5.5	●		●	●		Short	\$	Low	
A-5.6	●		●	●		Short	\$	Low	
A-5.7	●		●	●		Short	\$	Low	
A-5.8	●		●	●		Short	\$	Low	

A-6. Offer Density and/or Height Incentives for Desired Unit Types

In communities with a deficit of small affordable units and areas where height and/or density bonuses are under consideration, such bonuses to allow for buildings integrating a certain percentage of small units (under a specific size, such as 600 square feet) may be a good option. Alternatively, communities could adjust the way that density is measured to allow for discounts for very small units (i.e., density unit equivalent). On the other hand, many urban communities have a shortage of larger multi-bedroom apartment units to serve families with children. Density bonuses could be used to incentivize developments with such units.

- A-6.1. Offer bonus density and/or height for larger multifamily projects (13+ units) in high-density zones, potentially based on residents served (age, income, abilities) or based on location near transit or other amenities.

A-6	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-6.1	●	●	●	●	●	Med	\$	Low	

A-7. Expand Residential Uses in Commercial Zones

Commercially zoned areas have potential to provide additional sites for higher-density residential uses. Current zoning regulations limit residential uses to upper stories above commercial uses, whereas permitting residential without a commercial component has the potential to simplify and facilitate residential development opportunities. Any resulting residential uses could benefit from their location within a commercial corridor with access to transit, services and amenities. Such changes would need to be considered against the economic development goals for the jurisdiction, to ensure that adequate commercial development opportunities remain.

- A-7.1. Expand options for residential uses in commercial zones. Consider: permitting horizontal as well as vertical mixed-use or allowing multifamily residential outright if it met minimum densities, design standards and/or served target groups (such as age-restricted or income-restricted residents).
- See also strategy D-3.2 that would allow eligible (Washington state Housing Finance Commission eligibility) affordable multi-family housing with no commercial component.

A-7.2. Rezone selected commercial properties for high density residential use, either through a County-led process or in response to individual property owner requests. Develop criteria to guide selection of targeted properties.

A-7	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
A-7.1	●	●	●	●	●	Short	\$	Low	
A-7.2	●	●	●	●	●	Short	\$	Low	

D. Affordable Housing Incentives

Affordable housing incentives encourage and support multifamily housing development, particularly income-restricted affordable housing. In a typical market, affordable housing is typically built by two different kinds of developers:

Mission-driven affordable housing developers are largely public, not-for-profit organizations that assemble public and private funding to finance affordable housing projects. While these developers usually do not work to maximize profits, they still seek projects that allow them to sustain their operations and deliver affordable housing in an efficient way. For these developers, incentives reduce total costs and can increase the units they can provide.

Affordable housing can also be built by for-profit developers, including market-rate housing developers. These businesses use incentives to improve overall returns through density bonuses, parking reductions, fee waivers or other allowances in exchange for affordable units in the development. Although they can be motivated by corporate social responsibility, for-profit companies typically work to receive returns from projects and have limited options with respect to providing income-restricted affordable units unless they are mandatory or they are offered significant incentives for voluntary participation.

D-1 Multifamily Tax Exemption

A multifamily tax exemption (MFTE) is a waiver of property taxes to encourage affordable housing production and redevelopment in "residential targeted areas" designated by cities. The goal of MFTE programs is to address a financial feasibility gap for desired development types in the target areas, specifically to develop sufficient available, desirable and convenient residential housing to meet the needs of the public. The urban centers that are the typical targets for this tax exemption policy are often near transit, jobs and amenities, and MFTE programs are designed to encourage denser growth in areas with the greatest capacity and significant challenges to development feasibility.

Certain cities planning under the GMA are allowed to grant qualified residential and mixed-use projects a property tax exemption under an MFTE program for the value of new residential improvements, rehabilitation, or conversion of residential buildings in the designated areas. This can currently take two forms:

- An eight-year tax exemption can be offered for multifamily projects which meet base requirements.
- A 12-year exemption is allowed for projects that incorporate a minimum percentage (typically 20%) of income-restricted units.

Cities can also limit MFTEs specifically to projects that incorporate only income-restricted units.

D-1.1. Counties are not currently eligible for the multi-family tax exemption under RCW 84.14. Continue Council advocacy efforts to expand the multi-family tax exemption under RCW 84.14 to counties. Consider implementing income target in the 50% to 80% AMI range.

D-1.2. Consider voluntary inclusionary zoning with a multifamily tax exemption program.

D-1	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
D-1.1		●	●		●	Medium	\$\$\$	Med	
D-1.2		●	●			Medium	\$	Low	

D-2 Density Bonuses for Affordable Housing

A density bonus allows projects to exceed zoning limitations for dwelling units per acre or height. Jurisdictions can provide density bonuses to projects that designate a portion of total units as income-restricted affordable housing. This regulatory benefit does not require financial investment by the local government and can improve the financial feasibility of mixed-income development. This strategy can be used for either multifamily or single-family developments.

- D-2.1. Provide density bonuses for affordable housing . For example, provide a density bonus of 100% in high density residential zones in exchange for developments that have at least 40% of apartments affordable to people at 60% area median income or below for at least 30 years.
- D-2.2. Provide minimum lot size reductions for affordable housing (see *Guidance for Developing a Housing Action Plan*, page 130).
- D-2.3. Bonus Density for Affordable Housing on Religious Organizations' Land (RCW 36.70A.545): state law requires that properties owned by religious organizations be eligible for increased density bonuses, provided they serve low-income tenants for 50 years. In this case, jurisdictions may develop policies based on the level of need for the proposed housing and the ability of infrastructure to handle increased density.

D-2	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
D-2.1		●	●	●	●	Medium	\$	Med	
D-2.2		●	●	●	●	Short	\$	Low	
D-2.3		●	●	●	●	Medium	\$	Med	

D-3 Alternative Development Standards for Affordable Housing

Similar to allowing density bonuses for affordable housing, jurisdictions can relax other development regulations in return for affordable housing development as an incentive. One common strategy is to reduce minimum parking requirements (see B-1 Reduce Off-Street Parking) for projects that include affordable housing. This is often implemented by reducing or eliminating the required number of parking stalls per unit only for the income-restricted affordable units in a new development.

- D-3.1. Explore parking requirement reductions in exchange for affordable housing requirements. Focus on areas with access to transit. Consider identifying a process/project to analyze the specifics of the incentive. This strategy overlaps with the parking reduction strategy B-1.1.
- D-3.2. Allow eligible (Washington state Housing Finance Commission eligibility) multi-family affordable housing to be built in commercial zones with no commercial component. This strategy overlaps with strategy A-7.1
- D-3.3. Allow Highway 99 design guideline departures in exchange for affordable housing requirements. This strategy may overlap with strategies B-4.1 and B-8.1.

D-3	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
D-3.1		●	●	●		Medium	\$	Low	
D-3.2		●	●	●	●	Short	\$	Low	
D-3.3		●	●	●		Short	\$	Low	

D-4 Fee Waivers for Affordable Housing

Fee waivers reduce the up-front cost of construction for residential development. Fees, such as impact fees, utility connection fees and project review fees, can run in the thousands per unit for residential properties in some jurisdictions. Waiving some, or all, of these fees for income-restricted units can be a valuable incentive for encouraging the creation of income-restricted affordable units. This incentive is most effective when paired with a larger incentive package for affordable housing

D-4.1. Throughout unincorporated Clark County implement 80% impact fee reduction for affordable housing authorized by [RCW 82.02.060](#).

D-4.2. Review impact fees to consider additional waivers or reductions for affordable housing.

D-4	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
D-4.1		●	●	●		Medium	\$\$\$	Med	
D-4.2		●	●	●		Medium	\$\$\$	Med	

D-5 Other Ideas

D-5.1. Provide a guide or staff assistance to help developers understand and use the various affordable housing incentives.

D-5.2. Identify and provide incentive for home owners to rent out extra space or participate in shared housing program.

D-5.3. Explore mandatory inclusionary zoning program options.

D-5	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5	Timeline	Cost	Admin Effort	Potential Impact
D-5.1		●	●		●	Medium	\$\$	Med	
D-5.2	●	●	●	●		Medium	\$\$	Med	
D-5.3		●	●			Long	\$	Med	